

Making Michigan's Fuel Environment More Competitive; Investing in Michigan Airports

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Delta & Michigan's Global Numbers

12

- Delta Destinations in Michigan*

4

- New nonstop inter-continental destinations from Detroit since the merger
 - Seoul, Beijing, Sao Paulo, Rome

135

- Total nonstop Delta destinations from Detroit

27

- International nonstop Delta destinations from Michigan

542

- Delta departures from Detroit
 - One of the 10 largest airline hubs in the world*

11

- Countries with direct service from Michigan

330

- Delta system-wide destinations

65

- Delta system wide countries served

* SkyWest operates prorate service from IMT to MSP on behalf of Delta

Economic Impact of Delta in Michigan

- \$2.3 Billion in annual Delta passenger spend in Michigan
- \$711 Million in annual payroll
- \$211 Million in annual tax generation
- \$235 Million spent with 248 Michigan suppliers in 2011
- Over \$1.5 Million in annual charitable support throughout Michigan

2

Delta Is A Michigan-Wide Operation

Marquette

- 6 flights per day¹

Escanaba

- 4 flights per day¹

Traverse City

- 26 flights per day¹

Grand Rapids

- 46 flights per day¹

Lansing

- 18 flights per day¹

Kalamazoo

- 16 flights per day¹

Sault Ste. Marie

- 4 flights per day¹

Pellston

- 8 flights per day¹

Alpena

- 4 flights per day¹

Saginaw

- 14 flights per day¹

Flint

- 16 flights per day¹

Detroit

- 1084 flights per day¹
- One of the world's largest airline hubs
- Pilot Base
- Flight Attendant Base
- Cargo Facility
- Maintenance

¹ Scheduled flights inbound and outbound on a peak day, July 2013. Flights per day vary with day of week and time of year; for example, Delta has 1,008 Detroit flights in the current schedule for peak day March, 2013.

3

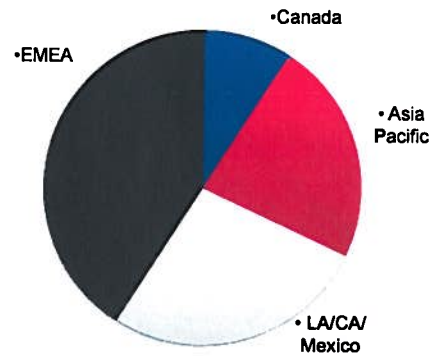
Delta Facilitates Global Commerce For Michigan Businesses

Thousands of Michigan businesses fly Delta

- Delta has 121 Corporate Accounts in Michigan
 - Includes account relationships with most large businesses in the state
- Delta has 4,700 SkyBonus Accounts in Michigan
 - Delta rewards small- and medium-sized companies through the SkyBonus program
 - The company earns SkyBonus points while the traveler simultaneously earns SkyMiles
- Countless other Michigan small companies and independent business people rely on Delta to serve their commercial needs
- Over 1.9 Million customers annually fly from a MI regional airport to DTW and on to another destination

Delta takes Michigan business around the world

Delta International Corporate Account Trips From Detroit

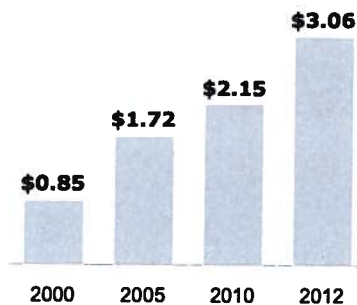


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Average Spot Price of Jet Fuel Has Risen 260 Percent Since 2000 and 42 Percent Since 2010

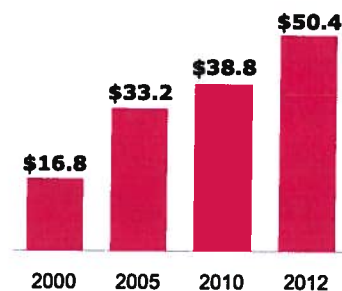
U.S. Airlines Incurred More Than \$50 Billion in Fuel Costs in 2012

Due to Rising Prices . . .
Dollars per Gallon (U.S. Gulf Coast)



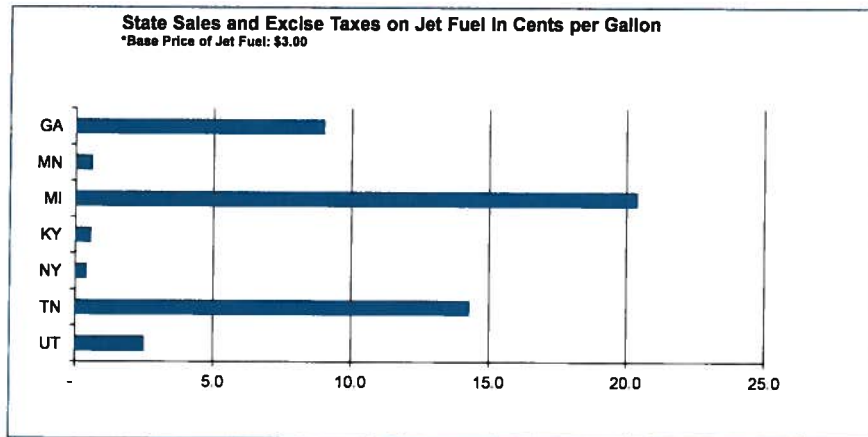
Source: Energy Information Administration

. . . Incurring Higher Costs
Billion U.S. Dollars per Year



Source: BTS for U.S. airlines

MI taxes on jet fuel highest of all Delta hubs, 6th highest state tax in Country



Fuel Costs Create Tremendous Pressure on Small Community Service

- Delta has eliminated less efficient, smaller aircraft from it's fleet (SAABs and 50 seat RJ's) because fuel costs make them uneconomical to fly
- Small communities have the least ability to absorb increasing costs; fewer seats to spread the cost over
- Small communities suffer the most under high fuel prices
 - Cancel CMX and MBL service (2008)
 - Converted or continued EAS service in APN, CIU, ESC, IMT & PLN
 - Must have subsidy to help support service in high fuel environment
- The support for Essential Air Service markets is capped under new federal law, meaning that there is no room for new EAS markets or for subsidies to increase
 - We have to make it work with what we have or we wont be able to continue to service these markets
 - Must look for all avenues to keep costs down

Investment Continues in Michigan

- Despite high costs of operating, Delta continues strategic investment in the Michigan market
- New/Enhanced service since merger in 2008 in outstate markets:
 - TVC – LGA
 - TVC – ATL
 - GRR – MCO
 - GRR – ATL
 - GRR – LGA
 - GRR – MSP
- Continue to partner with outstate airports on critical capital needs including:
 - TVC - Runway expansion, \$3 Million
 - GRR - jetbridge purchase, security checkpoint redesign, and holdroom expansion
 - MBS - Terminal Project, \$55 Million (completed)
 - FNT – terminal expansion project, \$16 Million (completed)

10

Delta supports HB 4571 and 4572 concepts

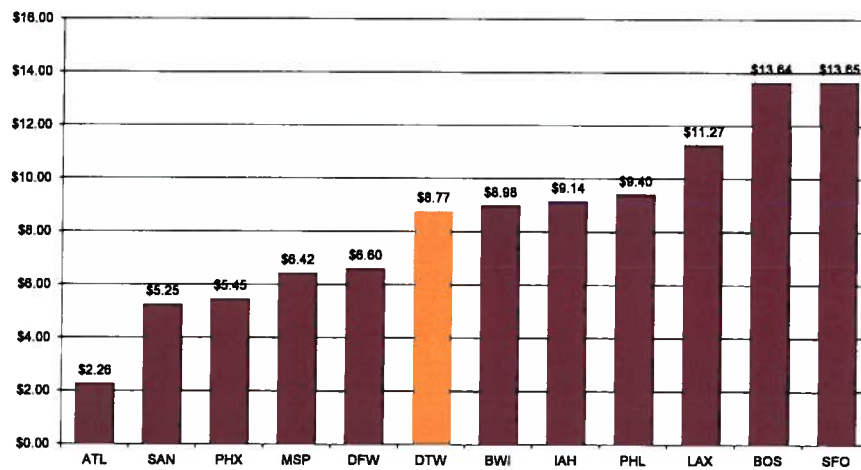
- Bills will greatly improve the competitiveness of the Michigan vis-à-vis other states for all airlines and air carriers, and we urge their support and passage
- Bills will enable much needed investment in Michigan airports
- Look forward to working with sponsor and committee on the bills
 - Need definition of wholesale price
 - Need to analyze how the tax is collected and remitted
- Tax team working on the legislation at this time to make recommendations to the committee and sponsor

11

Appendix

12

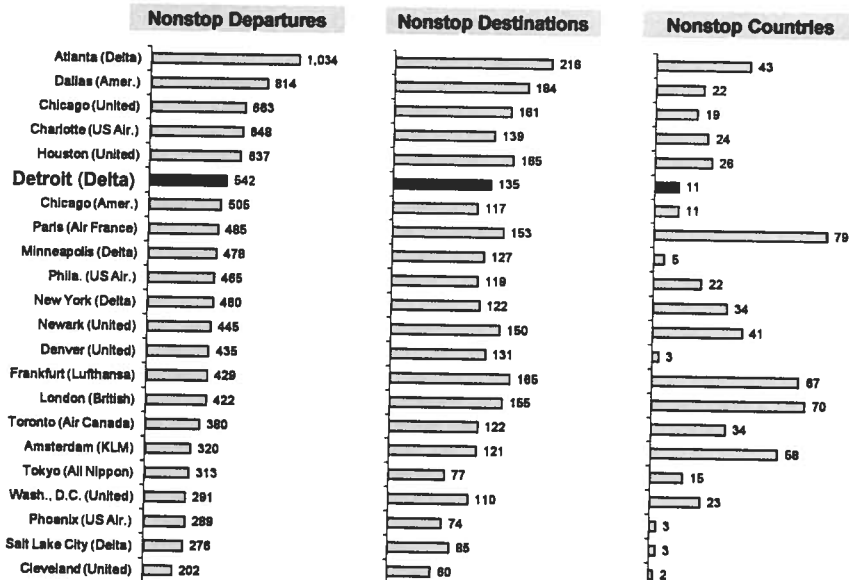
Passenger Airline Cost per Enplanement



Benchmark CPE includes Landing Fees, Terminal Rents and Federal Inspection Station Charges. Cargo airline landing fees and non-terminal rent is excluded from the calculation.

Source: Final FY 2011 ACI Benchmarking Survey

Delta Provides Michigan With One Of The World's Largest, Most Comprehensive Airline Hubs



Source: Airline Schedules reflect July, 2013 OAG as of March 4, 2013. Includes top 10 U.S. hubs and select other U.S. and global cities. Multiple airports in cities where an airline has a multi-airport hub operation as follows: Delta dual hub at LGA & JFK; Air France dual-hub at Paris CDG & ORY, and All Nippon dual-hub at Tokyo NRT & HND.